

## Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 L-03 AGRE-00 CIAE-00 COME-00  
EB-08 INR-10 LAB-04 NSAE-00 SP-02 STR-07 TRSE-00  
FRB-03 OMB-01 CTME-00 /064 W  
-----050691 040132Z /62

R 021418Z JUN 78  
FM AMEMBASSY BRUSSELS  
TO SECSTATE WASHDC 7012  
INFO ALL EC CAPITALS  
AMEMBASSY LISBON  
USMISSION GENEVA

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USEEC

GENEVA FOR PHELAN

E.O. 11652: N/A  
TAGS: ETRD, EEC, PO  
SUBJECT: TEXTILES: EC-PORTUGAL AGREEMENT

REF: (A) BRUSSELS 9101; (B) 77 BRUSSELS 19030

1. SUMMARY: COMMISSION AND UK SOURCES TELL US THAT UKG  
CONTINUES TO HAVE PROBLEMS WITH TEXTILE AGREEMENT  
ON PORTUGAL WORKED OUT BY COMMISSION NEGOTIATORS AND  
HAS ASKED FOR DISCUSSION DURING JUNE 6 FOREIGN MINISTERS  
COUNCIL. END SUMMARY.

2. COMMISSION AND PORTUGUESE NEGOTIATORS RECENTLY INITIALED  
AN AIDE MEMOIRE, WITH SEVERAL ANNEXES, GOVERNING PORTUGUESE  
EXPORTS INTO THE EC. COMMISSION ADMITS THAT PACKAGE WORKED  
OUT WITH PORTUGAL EXCEEDS THE OVERALL RESTRAINT LIMITS ON  
SEVERAL PRODUCTS AS AGREED EARLIER BY EC COUNCIL OF  
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FOREIGN MINISTERS (SEE REF B). ALTHOUGH SEVERAL MEMBER  
STATES INITIALLY OPPOSED TERMS OF AGREEMENT, ALL BUT THE  
UK HAVE NOW INDICATED WILLINGNESS TO GO ALONG.

3. UK MISSION SOURCE CONFIRMS ABOVE INFO. HE SAID THAT  
UKG HAS OPPOSED COMMISSION ON GROUNDS OF PRINCIPLE, I.E.  
THE COMMISSION INITIALED THE AGREEMENT KNOWING FULL WELL

THAT IT EXCEEDED THE OVERALL TEXTILE NEGOTIATION MANDATE GIVEN IT BY THE COUNCIL OF MINISTERS AND ON PRACTICAL GROUNDS, I.E. THE LEVELS FOR COTTON YARN, SYNTHETIC CLOTH AND CORDAGE WILL CAUSE PROBLEMS TO UK INDUSTRY. FURTHERMORE, ALTHOUGH PORTUGUESE HAVE AGREED TO A FORMULA RESPECTING DIVISION OF OVERALL QUOTAS AMONG MEMBER STATES, UKG FEELS THAT GUARANTEE THEY HAVE GIVEN IS NOT STRONG ENOUGH TO PREVENT DIVERSIONS. UK SOURCE THOUGHT THAT DANES CONTINUED TO AGREE WITH UK ON LATTER POINT BUT DOUBTED THAT THEY WOULD MAINTAIN THEIR OBJECTION AT COUNCIL DISCUSSION.

4. UK SOURCE STATED THAT, TO BEST OF HIS KNOWLEDGE, UK POSITION FOR JUNE 6 COUNCIL HAD NOT YET BEEN DECIDED. HE ADDED THAT UK OFFICIALS, WITH KNOWLEDGE OF COMMISSION AND WITH ASSISTANCE OF FRG, WHICH HAS INDICATED WILLINGNESS TO TAKE LARGER SHARE OF PROBLEM PRODUCTS, HAVE BEEN DISCUSSING POSSIBLE CHANGES IN AGREED LIMITS DIRECTLY WITH PORTUGUESE. CHOICE FOR UK MINISTERS IS EITHER TO ACCEPT COMMISSION AGREEMENT WITH SOME MODIFICATIONS OR TO OBLIGE COMMISSION TO RESPECT GLOBAL CEILINGS AND IMPOSE AUTONOMOUS LIMITS ON PORTUGUESE EXPORTS. IN ABSENCE OF SUPPORT FROM OTHER MEMBER STATES, UK SOURCE FELT IT LIKELY THAT UKG WOULD EVENTUALLY ACCEPT FIRST ALTERNATIVE. HINTON

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TEXTILES, AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 02 jun 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Number:** 1978BRUSSE10770  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 BRUSSELS 9101, 77 BRUSSELS 19030  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
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**Review Event:**  
**Review Exemptions:** n/a  
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**TAGS:** ETRD, PO, EEC  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
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